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19 February 1981

MEMORANDUM FOR: SA to the DCI for Compartmentation

FROM: ☐ Deputy Chief, APEX Control Staff

SUBJECT: APEX Steering Group Meeting, 18 February 1981

1. The 53rd meeting of the APEX Steering Group met on 18 February 1981. The following attended:

ACS	☐	Chairman
OSD	Maynard Anderson	
NSA	David W. Gaddy	
Army	Major William Poage	
State	Donald Stigers	
SIGINT		
SAFSS		
DIA		
Navy	Richard Welch	
CIA		
COMIREX		
DIA		
ACS		
ACS		
ACS		
ACS		

2. The Chairman announced that we have received informal word from an ISOO representative that ISOO is disposed to grant the waiver on portion-marking of material produced by contractors in contractor facilities. It appears that ☐ excellent staff work on this matter made a compelling case for the change. A memorandum has been drafted for Admiral Inman's signature advising the Chairman of the Subcommittee on Defense of the House Appropriations Committee that he supports the release of the additional $.8M for the Fiscal Year 1982 funding of the 4C system. Since Admiral Inman redrafted the memorandum personally, it is anticipated that he will sign it. The Senate Appropriations Committee is believed to be willing to go along with the

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release of the additional funding, and the Resource Management Staff is working with OMB on removing the limitation of $3M for 4C. [   ] also noted that Mr. Anderson has provided a paper on possible redraft of Executive Order 12065 and asked whether any other members have comments regarding changes to the Executive Order. Mr. Anderson commented that Mr. Meese, the Presidential Counsel, has invited comments on modifications of Executive Orders 12036 and 12065. [   ]

3. [   ] informed the members that he had provided the DCI a paper explaining the APEX concept and proposing the options of continuing APEX, abolishing APEX, or proceeding with work on the more desirable features of the APEX program. In that paper he advised Mr. Casey not to act on the options until he had consulted Admiral Inman and Mr. Carlucci. [   ] stated that there are indications that Admiral Inman favors the option of working on the "good things" of APEX through the modification of the existing SCI systems. Details of this activity will depend upon instructions from the DCI and the DDCI. [   ]

4. The Chairman next turned to the matrix listing twenty-two separate items to be developed as desirable features of the APEX concept, dated 10 February 1981. He noted that Mr. Welch had returned his copy with appropriate notations and asked that the other members of the Steering Group do the same. The attachment to these minutes reflects changes and comments on the first seven issues as determined in the discussion which ensued. With the concurrence of the Steering Group, the Chairman announced that the next Steering Group meeting on 24 February would be an all-day session with the objective of clarifying and reaching conclusions on the remaining fifteen issues. He also invited the members to submit additional issues on significant matters which were not included in the current list of twenty-two. [   ]

5. The meeting adjourned at 11:55 a.m. [   ]

Attachment as stated

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SUBJECT: APEX Steering Group Meeting, 18 February 1981

SA/DCI/C/ [   ] :jcs (19 Feb 1981)

Distribution:
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        1 - SA/DCI/C Chrono
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        1 - Donald Stigers, INR/State
        1 - Richard Welch, Navy
        1 - Maynard Anderson, OSD
        1 - [   ] DIA
        1 -
        1 - Col. Robert A. Shiver, USAF
        1 -
        1 -
        1 -
        1 -   man, SIGINT Committee
        1 -   rman, COMIREX
        1 -   )irector of Security
        1 -   :S/NFAC
        1 -
        1 -   :ommunity Affairs
        1 -
        1 - Executive Registry

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SUBJECT: APEX--"The Good Thing"

1. Standard uniform physical security rules: Standards for construc-
    tion and protection of Sensitive Compartmented Information
    Facilities (SCIFs) will continue to be as prescribed in USIB
    D-9.1.20, 30 April 1973 or other guidelines that may supersede
    it. Annual inspection is mandatory. Jointly used industrial
    facilities will be identified in inspection reports. Executive
    agent responsibility for common security cognizance will be
    pursued. 4C will provide an automated capability for regis-
    tration of SCIFs.
    Reference: Gov't Manual, Para. 48-54; Final Report, Para. I-
    C-4, p. 12; USIB D-9.1.20 and draft NFIB standards. ☐

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PRO:____   CON:____   NO POSITION:____

COMMENT: Annual inspections are desirable but resources
are not available to conduct them. The statement leaves
open the extent to which the community must use the 4C
Facilities Register.

2. Uniform Application of personnel security rules: Investigations of
    individuals for access to SCI will comply, at a minimum, with
    DCID 1/14. Reinvestigations will be conducted on a five-year
    cycle. Other aspects, e.g., Personal History Statements and
    adjudication criteria, to be standardized, as feasible.
    Reference: Gov't Manual, Para. 36-37; DCID 1/14 and annexes. ☐

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PRO:____   CON:____   NO POSITION:____

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Delegation of authority (from DCI to SIOs) to grant accesses:
Authority to approve accesses to SCI rests with the DCI and
those SIOs of the Intelligence Community delegated this authority.
The SIO will certify need-to-know for specific aspects.
Access to information on operational programs or sensitive
technical information will require agreement of the program
manager or director. The SIOs will report to the DCI the
identities of those persons indoctrinated as a function of
participation in the 4C system. Ceilings on access approvals
will not normally be imposed by the DCI.
Reference: Gov't Manual, Para. 16, 17, 21 & 31; E.O. 12065,
Sec. 4-2. [ ]

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PRO:____   CON:____   NO POSITION:__

COMMENT: DIA and OSD opposed to any mention of ceilings.
DIA and Army opposed to Program Manager agreement to operational access.

General accesses to SCI for secretaries, librarians, registry personnel:
Personnel who do not require substantive access to individual
SCI compartments, but who require physical access to SCI
accredited areas or who administratively process SCI materials,
will be given an administrative access called GENERAL. Phase
I or II will be granted as appropriate.
Phase I accesses will be granted to those personnel who must
have physical access to areas but who do not need to see or
process clear text SCI materials.
Phase II accesses will be granted to only those personnel who
process substantive clear text materials in an administrative
capacity.
Alternatives are (1) continuation of existing umbrella-type
general accesses for individual control systems or (2) requiring that everyone be approved for the specific program(s) to
which access is granted.
Reference: Gov't Manual, Para. 22. [ ]

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PRO:____   CON:____   NO POSITION:__

COMMENT: There is a consensus that current "umbrella"
approvals for individual programs are the best we can do,
but the concept needs additional work. There is apparent
consensus that the General Phase I concept has utility, but
application is uncertain.

Please note there are three options in this issue.

5. <u>Policy concerning contractor/consultant access to include restrictions on access and the policy pertaining to foreign ownership</u>: Contractors and consultants of Intelligence Community departments and agencies may be provided access to SCI information as required on a direct need-to-know basis provided in and limited by DCID 1/7. Past record in properly safeguarding classified material will be taken into account when choosing contractors or consultants. Contractor companies that are under foreign ownership, control, or influence will generally be ineligible for access to SCI activities and information. However, if that ownership, control, or influence does not involve a Communist-controlled country and the foreign interests own less than five percent of the contractor's voting stock and such minority holdings do not enable the foreign interest to control the appointment and tenure of the contractor's SCI-approved managing officials, a waiver of this provision may be granted by the DCI or SIOs of the Intelligence Community. Waivers or increases in foreign involvement require specific procedures. The purpose of this inclusion is to achieve a single statement of community guidance. This policy exists and is generally followed, but is not set out in a community document.

    <u>Reference</u>: Gov't Manual, Paras. 105-108; DCID 1/7. ☐

PRO:____   CON:____   NO POSITION:____

COMMENT:

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6. <u>Congressional Access Policy</u>: Members of Congress may receive access to SCI without a formally established clearance. The DCI Legislative Counsel will certify, on behalf of the DCI, the needs of persons in the Legislative Branch other than members of Congress for access to SCI material. Approvals for access to SCI information will ordinarily be limited to Legislative Branch employees as follows: (a) Staff personnel of Congressional committees and subcommittees; (b) Employees of the General Accounting Office and the Library of Congress; (c) Selected members of the staffs of the Leadership of the House and Senate as jointly agreed to by the DCI and the Leadership.
The purpose of this inclusion is to achieve a single statement of community guidance. This policy exists and is generally followed, but is not set out in a community document.
<u>Reference</u>: Gov't Manual, Para. 109. ☐

PRO:____   CON:____   NO POSITION:____

COMMENT: Steering Group, with State abstaining, supported issuance of Congressional access policy as outlined in the APEX Government Manual. The Navy representative stipulated that OLC/CIA will coordinate with Program Managers on access to operational programs, and that Program Managers will receive copies of indoctrination secrecy agreements.

Unanimous that the committee is agreeing to paragraph 109 of the APEX Government Security Manual.

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Decentralization of authority (from DCI to SIOs) to accredit facilities:
SIOs of the Intelligence Community are responsible for establishing
Special Access Program facilities for the control, storage and
use of SCI materials. Accreditation is subject, however, to
conformance with DCI rules, review and inspection. The 4C
System will be designed to record accreditations of SCIFs and
to reflect waivers of DCI rules.
References: Gov't Manual, Paras. 12, 48, 49, 50 & 51; Industrial
Manual, Para. 42; DCID 1/19, Para. 1, p. 1.

PRO:___   CON:___   NO POSITION:___

COMMENT:

Separation of operational information (sources/methods) from intelligence
product to the extent possible: The restoration of a broad separation
between operational and product information will not only
bring about better protection for the extremely sensitive
information contained in operational compartments but is
certain to bring about reductions in the numbers of personnel
with complete access to operational data.
Reference: Final Report, Para. B.1 & 3, p. 27; APEX Steering
Group memorandum proscribing the inclusion of operational
information in finished intelligence.

PRO:___   CON:___   NO POSITION:___

COMMENT:

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